

**Palmetto Clean Energy, Inc. ("PaCE") Program  
Rate Schedule**

189787

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
COVER SHEET

DOCKET

NUMBER: 2007 - 131

SC PUBLIC SERVICE COMMISSION

2007 DEC - 5 PM 2:26

RECEIVED

(Please type or print)

Submitted by: K. Chad BurgessSC Bar Number: 69456
 Address: SCANA Corp.  
1426 Main Street MC 130  
Columbia, SC 29201
Telephone: 803-217-8141Fax: 803-217-7931

Other: \_\_\_\_\_

Email: chad.burgess@scana.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)

- ☐ Emergency Relief demanded in petition
 ☐ Request for item to be placed on Commission's Agenda expeditiously
- ☐ Other: \_\_\_\_\_

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

 PRO SC  
DOCKETING DEPT.



K. Chad Burgess  
Senior Counsel

chad.burgess@scana.com

December 5, 2007

RECEIVED  
2007 DEC -5 PM 2:27  
SC PUBLIC SERVICE  
COMMISSION

**VIA HAND DELIVERY**

The Honorable Charles Terreni  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29211

RE: Palmetto Clean Energy, Inc. ("PaCE") Program Rate Schedule

Dear Mr. Terreni:

Please find enclosed for the Public Service Commission of South Carolina's consideration and approval an original copy of South Carolina Electric & Gas Company's ("SCE&G" or "Company") rate schedule for the PaCE Program to be effective February 1, 2008.

The Company's PaCE Program schedule provides customers the option, at the customer's sole election, to support the development of renewable energy resources, such as wind, solar, hydro, and biomass. If a customer chooses to participate in the program, the Company will collect the customer's contribution (in accordance with the enclosed rate schedule) and remit such funds to Palmetto Clean Energy, Inc., a South Carolina non-profit corporation with tax exempt status under Section 501(c)(3) of the Internal Revenue Code. The Company has also enclosed for the Commission's information a copy of PaCE's Internal Revenue Service Determination Letter, dated November 16, 2007.

PaCE was incorporated on August 6, 2007 and is governed by a five member board comprised of representatives of the Office of Regulatory Staff, the South Carolina Energy Office, Progress Energy Carolinas, Inc., South Carolina Electric & Gas Company, and Duke Energy Carolinas, LLC. The PaCE board members are not compensated for their governance services and the participating entities have no equity interest in the corporation. PaCE was established to serve as a third party administrator of PaCE Program contributions. In this capacity, PaCE will (i) aggregate customer demands via voluntary customer participation in the PaCE Program tariff; (ii) qualify Renewable Generators ("RGs"); (iii) issue Requests for Proposal for renewable resource generation; and (iv) select and contract with RGs.

RGs will also enter into a Power Purchase Agreement with the electric utility that will receive the energy the RG produces at that utility's approved avoided cost rate. The RG is responsible for delivering the contracted power to the utility's grid at which time the utility will pay the RG for the power delivered and the RG will report to PaCE the power it has generated.

(Continued . . .)

Based on the RG's power generation report, PaCE will then pay the RG the premium specified in the RG's contract with PaCE, provided sufficient funds are available.

In summary, PaCE is a renewable energy program designed to encourage the development of renewable energy resources that improve the environment through reduced greenhouse gas emissions. Contributions to the PaCE Program will help provide financial incentives for generators of electricity from renewable resources. Through this partnership, program participants will *set the PaCE* for the development of renewable energy in South Carolina.

Pursuant to S.C. Code Ann. § 58-27-870(F) (Supp. 2006), the Commission may issue an order allowing rates and tariffs to be put into effect without notice and hearing when such rates "do not require a determination of the entire rate structure and overall rate of return, or . . . do not result in any rate increase to the electrical utility." The PaCE Program will not require a determination of the entire rate structure or result in an increase in rates for customers; therefore, SCE&G respectfully requests that the Commission review the attached rate schedule and approve such rate schedule without notice or hearing.

By copy of this letter and pursuant to S.C. Code Ann. § 58-3-140 (Supp. 2006), we are also providing a copy of the enclosed tariff to the Executive Director of the Office of Regulatory Staff.

If you have any questions, please do not hesitate to contact us.

Very truly yours,

A handwritten signature in black ink, appearing to read "K. Chad Burgess", with a stylized flourish at the end.

K. Chad Burgess

KCB/kms  
Enclosures

cc: C. Dukes Scott, ORS

**RIDER TO RETAIL RATES**

**PALMETTO CLEAN ENERGY, INC. ("PaCE")**  
(Page 1 of 2)

**GENERAL**

Palmetto Clean Energy, Inc ("PaCE") is a non-profit public benefit corporation which seeks to promote the development of Renewable Energy Resources within the State of South Carolina. All funds collected by the Company pursuant to this Rider are transferred to PaCE.

**AVAILABILITY**

This Rider is available on a voluntary basis to retail customers receiving electric service from the Company and who contract with the Company to purchase Block(s) of Renewable Energy Resources which have been approved by PaCE.

The maximum number of customers served under this Rider shall be determined by the maximum number of Blocks of Renewable Energy Resources available for purchase through PaCE.

**STANDARD PROVISIONS**

Each retail customer may contract with the Company to purchase a Block(s) of Renewable Energy Resources. The block(s) will be billed to the customer on a monthly basis. The customer may change the number of Block(s) of Renewable Energy Resources contracted for only once during the contract year unless otherwise authorized by the Company.

The Company will purchase or otherwise acquire Renewable Energy Resources, if available, to meet the expected demand for Block(s) of Renewable Energy Resources that have been contracted under this Rider during each calendar year. The actual amount of electricity provided by generators of Renewable Energy Resources under this Rider to the electric grid during any specific month may vary from the number of Block(s) of Renewable Energy Resources that customers have purchased. However, over time, the relationship between the deliveries of Block(s) of Renewable Energy Resources to the purchases of Block(s) of Renewable Energy Resources is expected to achieve unity.

Customers who contract for a Block(s) of Renewable Energy Resources under this Rider will continue to receive and pay for electric service under the applicable rate schedule and the contracted Block(s) of Renewable Energy Resources will have no impact on the customer's actual monthly kilowatt-hour usage. The contracted Block(s) of Renewable Energy Resources provided under this Rider shall be charged at the rate set forth below regardless of the customer's actual monthly kilowatt-hour usage.

Energy purchased from and produced by generators of Renewable Energy Resources may not be delivered specifically to the individual customer contracting for the service under this Rider.

**DEFINITIONS**

**Renewable Energy Resources:** For the purposes of this Rider only, the term Renewable Energy Resources shall be those sources of energy, as approved by PaCE and listed on the PaCE website ([www.palmettocleanenergy.org](http://www.palmettocleanenergy.org)), used to generate electricity for delivery to the electric grid.

**Block of Renewable Energy Resources:** A block of Renewable Energy Resources is equal to 100 kWh.

**Month:** Month or Billing Month shall mean the period between any two regular readings of the Company's meters which shall not be less than twenty-eight (28) days or more than thirty-four (34) days. This shall coincide with the billing month of the customer's applicable electric rate.

**RATE PER MONTH**

\$4.00 per Block of Renewable Energy Resources per month.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**RIDER TO RETAIL RATES****PALMETTO CLEAN ENERGY, INC. ("PaCE")**  
(Page 2 of 2)**PAYMENT TERMS**

Bills under this rider are net and payable when rendered. The Company has the right to terminate the customer's contract under this rider for bills that are past due and delinquent and are not paid.

**TERM OF CONTRACT**

Contracts shall be written for a period of not less than one (1) year and shall be renewed for successive one (1) year periods. However, either party may terminate service under this Rider by giving a thirty (30) day notice of termination. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this Rider.

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: NOV 16 2007

PALMETTO CLEAN ENERGY INC  
C/O CHARITY BABINGTON FALLS  
401 S TRYON ST STE 3000  
CHARLOTTE, NC 28202-0000

Employer Identification Number:  
26-1100221  
DLN:  
17053292031017  
Contact Person:  
RONALD D BELL ID# 31185  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
December 31  
Public Charity Status:  
170(b)(1)(A)(vi)  
Form 990 Required:  
Yes  
Effective Date of Exemption:  
August 7, 2007  
Contribution Deductibility:  
Yes  
Advance Ruling Ending Date:  
December 31, 2011  
Addendum Applies:  
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

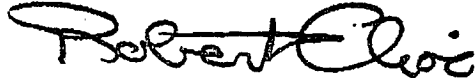
Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

PALMETTO CLEAN ENERGY INC

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Choi". The signature is fluid and cursive, with the first name "Robert" and last name "Choi" clearly distinguishable.

Robert Choi  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures: Publication 4221-PC  
Statute Extension

**Part X Public Charity Status (Continued)**

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety. ☐
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit. ☐
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. ☒
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross investment income and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). ☐
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status. ☐

6 If you checked box g, h, or i in question 5 above, you must request either an advance or a definitive ruling by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a **Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at [www.irs.gov](http://www.irs.gov) or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling. ☒

**Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code**

For Organization

*Robert E. Long*  
(Signature of Officer, Director, Trustee, or other authorized official)

Robert E. Long

(Type or print name of signer)

Board Chair

(Type or print title or authority of signer)

10/15/2007  
(Date)

For IRS Use Only

*Robert Choe*

IRS Director, Exempt Organizations

NOV 16 2007

(Date)

- b **Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii). ☐

- (i) (a) Enter 2% of line 8, column (e) on Part IX-A, Statement of Revenues and Expenses. ☐
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box. ☐
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A, Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box. ☐
- (b) For each year amounts are included on line 9 of Part IX-A, Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A, Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box. ☐

- 7 Did you receive any unusual grants during any of the years shown on Part IX-A, Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. ☒ Yes ☐ No